



General Assembly

January Session, 2015

Raised Bill No. 1131

LCO No. 6089



Referred to Committee on FINANCE, REVENUE AND
BONDING

Introduced by:
(FIN)

AN ACT CONCERNING GRAND LIST GROWTH.

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2016, and applicable to assessment*
2 *years commencing on or after October 1, 2016*) (a) (1) Subject to the
3 requirements of subsection (b) of this section, a municipality which
4 contains an enterprise zone designated pursuant to section 32-70 of the
5 general statutes may, by vote of its legislative body, or in a
6 municipality where the legislative body is a town meeting, by vote of
7 the board of selectmen, provide that, for any improvement to
8 commercial or industrial property that results in an increased assessed
9 value of the property of ten thousand dollars or more as compared to
10 the base year, (A) the assessment of such improvement shall be
11 reduced as provided in subdivision (2) of this subsection, and (B) at
12 least eighty per cent of the increase in tax revenue attributable to such
13 improvement shall be allocated to reduce the assessments and total tax
14 imposed on each commercial or industrial property located within the
15 municipality, provided such property is not subject to any other form

16 of property tax relief. The reduced assessment shall be applicable for a
17 period determined by such vote of the legislative body or the board of
18 selectmen.

19 (2) (A) The tax collector of any municipality that has voted to reduce
20 such assessment pursuant to subdivision (1) of this subsection or the
21 tax collector of any municipality that is subject to the requirements of
22 subsection (b) of this section shall annually calculate the average
23 regional mill rate based on the average mill rate of the planning region
24 of the state, as designated under the provisions of section 16a-4a of the
25 general statutes, in which the municipality is located.

26 (B) The assessor of each such municipality shall annually (i)
27 calculate the increase from the base year for any improvement that
28 results in an increased assessed value of the property of ten thousand
29 dollars or more as compared to the base year, and (ii) reduce the
30 assessment of such improvement to an amount that yields a total tax
31 on the improvement equal to the tax that would be imposed at the
32 applicable average regional mill rate. Except as provided in
33 subparagraph (B) of subdivision (1) of subsection (b) of this section,
34 such municipality shall allocate at least eighty per cent of any increase
35 in tax revenue attributable to such improvements to reduce the
36 assessments and total tax imposed on each commercial and industrial
37 property located within the municipality, provided such property is
38 not subject to any other form of property tax relief.

39 (b) (1) Each municipality having a population of not less than one
40 hundred forty thousand as shown by the last United States census and
41 having a total area of less than twenty square miles shall (A) reduce
42 the assessment for any improvement to commercial or industrial
43 property that results in an increased assessed value of the property of
44 ten thousand dollars or more as compared to the base year in
45 accordance with subsection (a) of this section, and (B) allocate at least
46 eighty per cent of any increase in tax revenue attributable to such
47 improvement to reduce the assessments and total tax imposed on each

48 commercial or industrial property having a total assessment of less
 49 than fifteen million dollars, provided such property is not subject to
 50 any other form of property tax relief.

51 (2) The reduced assessment set forth in this subsection shall
 52 continue until the assessment year in which the mill rate for the
 53 municipality is no more than ten per cent greater than the average
 54 regional mill rate calculated pursuant to subdivision (2) of subsection
 55 (a) of this section.

56 (c) For the purposes of this section, "base year" means the
 57 assessment year commencing October 1, 2014, "increase from the base
 58 year" means the assessed value of the commercial or industrial
 59 property for the current year plus the current year assessed value of
 60 any personal property acquired after the base year to be used
 61 exclusively for commercial or industrial purposes, less the assessed
 62 value of the commercial or industrial property for the base year, and
 63 "improvement to commercial or industrial property" includes, but is
 64 not limited to, any acquisition of personal property to be used
 65 exclusively for commercial or industrial purposes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2016, and applicable to assessment years commencing on or after October 1, 2016</i>	New section

Statement of Purpose:

To provide a mechanism for municipalities to reduce the assessment and total tax due on commercial and industrial property and improvements to such commercial and industrial property.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]